

# The MORTGAGE BANKER

VOL. 6—No. 2



NOVEMBER, 1945

## Radio Tickets

If you want tickets to any of these radio broadcasts, you had better let us know *promptly*. We have reserved an ample supply for members' use but those not spoken for *now* will be returned *before* the opening of the convention. Write us today and the tickets will be waiting for you at the registration desk.

**"Fred Waring's Show,"** 11 Thursday and Friday *mornings*. One of the best musical shows on the air and especially good to see.

**"Chesterfield Supper Club,"** 10:45 P. M. Thursday, November 15. Another excellent musical show. Perry Como is the singing star.

**"Hobby Lobby,"** 9:30 P. M. Thursday, November 15. This is one of the best programs on the air, especially from an audience standpoint.

**"America's Town Meeting of the Air,"** 8:30 P. M. Thursday, November 15. This program is one of the most worthwhile things in radio. Like "Hobby Lobby", it comes at a good time as far as our convention arrangements are concerned.

**"Cities Service Highways in Melody,"** One of the oldest and best musical shows on the air, with Paul Laval's orchestra, Leonard Stokes, baritone and the Cities Service Singers. Broadcast from Radio City. 8 P. M. Friday, November 16.

**"CBS Programs"**. We'll have some tickets to Columbia programs. Ask about them and other programs for which we may have tickets.

The **"Waltz Time"** and **"Kate Smith Sings"** programs aren't audience shows in case you're wondering.

## U.S. Attorney General Tom C. Clark Will Be Banquet Speaker at New York Convention

**P**LAN FOR MBA's 32nd annual convention at Hotel New Yorker, New York, November 15, 16 and 17 are rapidly being completed and from present indications it appears we will have one of the most productive meetings in many years.

The convention is being slanted more at a mortgage man's every-day problems than ever before, in fact, both afternoon sessions are being devoted entirely to practical lending problems of today and tomorrow.

As this issue of *The Mortgage Banker* goes to press, the national office has every reason to believe that housing arrangements have worked out satisfactorily. That statement is based upon the fact that so far no member has registered a complaint which could not be straightened out. Naturally we are assuming that all those who wished to attend have been provided for.

The hotels are actually sold out and have been for some time. There was a somewhat smaller number of rooms available to us than had been originally committed for, but this was due entirely to the visit of units of the Pacific fleet to New York and the demand of the Navy for accommodations for about 30,000 men and their families. Neither we nor the hotels anticipated this development at the time of our initial arrangements and of course no member would want to interfere in the slightest with the needs of these men. According to present plans, however, most if not all of these men will have departed by the time we arrive so we are expecting no difficulty.

Actually, the New Yorker and other Penn Zone hotels are giving us practically the same number of rooms they agreed to furnish and they, with our special Housing Bureau operated by the New York Convention Bureau, have co-operated splendidly in handling arrangements.

The program is not quite complete but here are some of the speakers:

As our headliner, MBA members will have the privilege of hearing one of the more discussed men in the country today, the **Honorable Tom C. Clark**, Attorney General of the United States. This is the first time since 1934 that a member of the President's cabinet has addressed our convention.

Mr. Clark attracted considerable attention at the time of his appointment when it was revealed that he was only 46 years old. He is a native Texan. The invitation to speak at our banquet was extended by one of his life-long friends, Aubrey C. Costa, vice president, Southern Trust & Mortgage Co., Dallas, and a newly-elected board member of MBA.

After 15 years of successful practice in Dallas, Mr. Clark entered the Department of Justice in Washington in 1937. Since that time he has handled some of the toughest trial assignments.

**Joseph Meyerhoff** of Baltimore, treasurer of the National Association of Home Builders and one of the best known builders in the country, will speak on problems of builders.

**Miles L. Colean**, consultant to the Taft committee, formerly with the Twentieth Century Fund and now

consultant to Hugh Potter, will speak on present and proposed housing legislation. As one of the country's foremost authorities on housing matters, Mr. Colean is well qualified to give you a complete picture of what is likely to happen in housing legislation.

**L. Douglas Meredith**, vice president, National Life Insurance Company, will speak on several aspects of mortgage lending today. Most members know Mr. Meredith. His company is attracting widespread attention with its so-called "packaged mortgage" — the land and building with certain equipment like stoves, refrigerators, etc., thrown in.

**Raymond M. Foley**, FHA Commissioner, will tell us what FHA is thinking and planning (see page 5). With him will be several FHA officials from Washington who will talk of aspects of the program under their own supervision. This FHA session will occupy the entire first afternoon and **W. A. Clarke** of Philadelphia will serve as moderator.

**L. E. Mahan**, immediate past president of MBA, will make the opening address of the convention and will report to members on the work and accomplishments of his administration which ended August 31 and make recommendations for future activities.

**John C. Thompson**, chairman of the convention committee, will speak briefly on the opening morning and preside as toastmaster at the annual banquet Friday night.

**L. A. McLean**, former president of MBA, will conduct one of the most interesting parts of the program—that of Friday afternoon when our own members will speak on various topics pertinent to the mortgage business at



**B. V. KANALEY JOHN C. THOMPSON** the present time. Among them are:

**Walter Cohrs** of the First National Bank of Chicago will speak on mortgage lending problems of commercial banks and **Harold D. Rutan** of the Bank for Savings in the City of New York will represent the viewpoint of the mutual savings banks.

**Maurice Collins**, Assistant Administrator for Finance in the Veterans Administration, one of the best informed men in this agency as far as loaning goes, will speak on the G. I. program.

**Dean Vincent** of Dean Vincent, Inc., Portland, Ore., will speak for the life insurance company correspondent and **Walter Gehrke**, who is president of the First Federal Savings and Loan Association in Detroit as well as president of the Mortgage and Contract Company there, will speak for the savings and loan associations. **T. S. Burnett** of Pacific Mutual in Los Angeles will speak for the life insurance companies.

**Edward F. Lambrecht** of Detroit will preside at a breakfast Friday morning for all officers of local chapters. The program will be informal and officers will come prepared to discuss present-day problems of their own chapters in a frank and open manner.

#### PRESIDENT ON HOUSING

*The housing field should provide a whole new industry for this country, greater in size and importance than the automobile industry ever was. Our big cities, like New York, Chicago and Detroit, all have blighted areas of tenement houses, the continuance of which would be a public disgrace — President Harry S. Truman, August, 1943.*



L. E. MAHAN HAROLD D. RUTAN

## Convention Notes

Members should not overlook the fact that MBA's sixth "Exposition of Building, Industry and Services" is being held in conjunction with the New York convention. It won't be as large as previous years because of the late start in presenting it and also because many companies are not sufficiently converted to display their postwar products. The manpower shortage, surprisingly enough, is still an important factor with many companies. Some simply do not have the men to man a booth.

Among the companies whose displays you will see at New York are General Electric Company, Nash-Kelvinator, Hartford Fire Insurance Company, Paramount Fire Insurance Company, Minneapolis Honeywell Regulator Company, National Cash Register Company, Portland Cement Association and Libby Owens Ford Glass Company. Spend some time at the exhibit booths. You are sure to get some information that will be important to you.

Here are some passing observations which it might be well to keep in mind:

If you don't have a hotel reservation before you leave, you are taking a big chance because New York is crowded and there seems to be every possibility that you may not be able to get anything.

No tables at the banquet are reserved — first come get the choice tables. Only 700 will be seated in the Grand Ballroom where Attorney General Clark will speak. We will accommodate more in an adjoining ballroom but you won't be able to see the speaker but can hear him.



L. D. MEREDITH W. A. CLARKE

# Who's Coming to Convention? Everyone Who Can Get a Room, It Seems; Here Are Some

Recalling how eagerly MBA members always await the first registration list at annual conventions to see "who's here", this year we are telling you in advance of some of those who have reservations and will be on hand for the meeting. This list is only up until

October 16th and does not include everyone who has a hotel reservation as of that date. Many members made reservations independently with hotels other than those offering accommodations through our special Housing Bureau and these of course are not included.

Mr. and Mrs. Byron V. Kanaley, Walter L. Cohrs, Harry A. Fischer, Howard H. Hilton, R. F. Wingard, Howard E. Green, Mr. and Mrs. George H. Dovenmuehle, Mr. and Mrs. Liadel Peterson, Chicago.

Mr. and Mrs. L. E. Mahan, R. C. Obermann, St. Louis; Norman R. Lloyd, H. C. Bacon, S. C. Brennerman, George Anthony, Mr. and Mrs. W. E. Miller, Mr. and Mrs. Edward F. Meyers, Mr. and Mrs. Miller B. Pennell, C. A. Mullenix, Mr. and Mrs. A. D. Fraser, Cleveland; C. W. Mead, Omaha; Frank J. Mills, Fort Wayne; J. C. McGee, Jackson, Miss.; Mr. and Mrs. Dean Vincent, Portland, Ore.; Mr. and Mrs. Aksel Nielsen, Mr. and Mrs. C. A. Bacon, Mr. and Mrs. T. Weber Houston, Denver; Mr. and Mrs. S. M. Waters, Minneapolis.

Mr. and Mrs. Owen M. Murray, Mr. and Mrs. W. O. Murray, Mr. and Mrs. George A. Jackson, Aubrey M. Costa, Dallas; Mr. and Mrs. G. R. Swantner, Corpus Christi, Tex.; Mr. and Mrs. Allyn R. Cline, Houston; Dean R. Hill, Buffalo; Harold D. Rutan, D. W. Rauscher, A. S.-Mills, J. I. Fischer, New York; Mr. and Mrs. E. S. Draper, Mr. and Mrs. W. L. King, Mr. and Mrs. G. Calvert Bowie, Washington, D. C.

Stanley H. Trezevant, R. G. Heard, L. Hall Jones, E. D. Schumacher, Memphis; E. E. Murrey, M. N. Young, Nashville; R. S. Beachy, Kansas City, Mo.; A. A. Zinn, Indianapolis; Byron T. Shutz, William P. Sayre, Frank L. Wilkinson, Kansas City, Mo.; C.-P. Kennedy, Paul J. Vollmar, Mr. and Mrs. C. C. Stayman, Mr. and Mrs. W. C. Willing, Mr. and Mrs. W. S. Wenzel, Cincinnati; George B. Underwood, Leslie Steele, Irvington, N. J.; Mr. and Mrs. John C. Thompson, James J. McCarthy, Charles Seibert, Newark; C. Arnel Nutter, Camden, N. J.; Mr. and Mrs. Hugo Porth, Lt. and Mrs. Donald S. Ferguson, Milwaukee.

Mr. and Mrs. Guy T. O. Hollyday, Mr. and Mrs. Bernard P. Hoge, Baltimore; R. O. Deming, Jr., Oswego, Kan.; H. G. McCall, St. Paul; Edward F. Lambrecht, H. G. Woodruff, Detroit; Wallace Moir, Los Angeles; W. A. Clarke, Robert Irving, Philadelphia; A. H. Seise, Rockford, Ill.; John H. Scott, Pittsburgh; Frank C. Waples, Cedar Rapids, Ia.; G. H. Galbreath, Tulsa; Hiram S. Cody, Mr. and Mrs. Lawrence Pfefferkorn, Winston-Salem, N. C.; W. Walter Williams, Seattle; Mr. and Mrs. L. A. McLean, Louisville; James W. Collins, Salt Lake City; Frederick P. Champ, Logan, Utah; Norman H. Nelson, St. Paul; Joseph M. Miller, New Orleans; George D. Kobick, H. E. Misericordia, M. W. Ryner, A. J. Brock, Bridgeport, Conn.; Mr. and Mrs. T. B. O'Toole, Harry Peiker, Harry Lingo, Wilmington, Del.; M. H. Chernoff, Baltimore.

Mr. and Mrs. Lloyd N. Wheeler, C. Wells, J. A. Grow, Mr. and Mrs. Hubert R. Haessler, Melvin F. Lanphar, Wilford E. Smith, Leslie N.

Jull, Herman R. Sable, G. Kumrow, Mace Borgman, George Janiga, S. E. Shepherd, Detroit; Mr. and Mrs. W. G. Nelson, M. A. Pollak, Mr. and Mrs. Harry Salk, Wm. J. Hoppe, Mr. and Mrs. W. B. Mould, R. B. Snodgrass, W. C. Spratt, Ward J. Gauntlett, T. C. Ernest, Chicago; D. C. Brickley, L. H. Gross, Corpus Christi, Texas; Mr. and Mrs. O. T. Turner, Mr. and Mrs. T. A. Blakeley, Dallas; B. B. Yeager, Mr. and Mrs. T. J. Bettes, Houston; J. Fred French, Joseph H. Geisel, Omer H. Amyot, John A. Muir, Manchester, N. H.

Mr. and Mrs. Frank Ferguson, Mr. and Mrs. P. E. Veum, Mr. and Mrs. William W. Bunge, Milwaukee; H. R. DeMott, Francis Stabler, A. C. Anderson, Corwin A. Fergus, Robert E. Pratt, Nicholas B. Marden, Clifford C. Boyd, Peter V. Cloke, New York City; J. G. Driacoll, Lon Perry, J. H. Schenk, W. I. Christopher, E. F. Williams, Mr. and Mrs. Ralph C. Becker, R. L. Brighton, St. Louis.

Mr. and Mrs. William D. Macdonald, Mr. and Mrs. Jesse A. Snyder and Miss Snyder, Highland Park, Mich.; Morton Goodman, N. N. Wolfsohn, M. P. Clancy, Mr. and Mrs. Myer Feinstein, E. L. Carlson, W. C. Keesey, Philadelphia; Robert E. Goldsby, C. S. Stallard, Elizabeth, N. J.; J. M. Downs, D. C. Morgan, Paul V. Weir, Alex L. Gleckler, Columbus, Ohio; Hubert F. Thomas, Mr. and Mrs. Giles F. Foley, Mr. and Mrs. James W. Guy, O. F. Arnold, Guilford Jones, Denver.

Mr. and Mrs. Robert W. Adams, Tulsa; H. Bruce Thompson, Nelson Kelley, Upper Darby, Pa.; Phil Van Meter, H. C. Bastian, Wichita, Kans.; Mr. and Mrs. Alan M. Smith, Birmingham; Richard S. Willis, Dwight Foster, Boston; J. L. Hall, Marshall Bartlett, St. Paul; John C. Phillips, Reed B. Coyle, Frank A. Baldus, John D. Abbott, E. S. Mattner, Pittsburgh; Mr. and Mrs. Holt Bean, G. D. Brooks, H. B. Gibbs, Powell Stamper, Nashville; William A. Curtin, E. H. Warner, R. D. Swinehart, Irving B. Bjork, Hartford, Conn.; H. Duff Vilm, Mr. and Mrs. Wayne Harryman, John R. Moynahan, Indianapolis; Theophilus White, Mr. and Mrs. Sidney H. Tinley, Jr., Mr. and Mrs. Edward K. Jones, Mr. and Mrs. Sam W. Borden, Baltimore.

Clifford Harvuot, Mr. and Mrs. E. W. Russell, Cincinnati; T. T. Hyde, Jr., H. E. Peterson, Claude R. Davenport, R. H. Lee, Ernest M. Weaver, Richmond, Va.; Mr. and Mrs. M. A. Vieser, Mr. and Mrs. Paul A. Nalen, Thomas E. Colleton, O. A. Kieb, Newark; Harry A. Taylor, East Orange, N. J.; Philip Zinman, Camden, N. J.; Mr. and Mrs. Wm. J. Church, Harrison, N. J.; Josiah P. Huntoon, Paterson, N. J.; Wm. J. Netherton, C. Keeling, T. Noonan Ryan, T. Noonan Ryan, Jr., Louisville; S. E. Godden, Albert Small, Mr. and Mrs. Claud Livingston, Washington, D. C.

Mr. and Mrs. E. B. Drake, Lincoln, Neb.; Fred W. Orr, Mr. and Mrs. A. E. Seymour, Cleveland;

Mr. and Mrs. Carl F. Burrell, Hollywood; George W. Elkins, Beverly Hills, Calif.; T. S. Burnett, Walter R. Clark, Los Angeles; E. D. Auer, M. C. Ledden, T. A. Murphy, J. J. Madden, Fort Wayne; J. D. Crawfis, Walter Herberich, Daniel C. Funk, L. D. Sanborn, Akron, Ohio; Mr. and Mrs. Leo J. Sullivan, Mr. and Mrs. Paul D. Moonan, Buffalo; Howard Moffitt, J. Wilson Swan, Oklahoma City; Mr. and Mrs. Ray A. Murnen, Toledo; R. A. Scott, Minneapolis; A. W. Hoover, Miami.

Fred H. Quiner, Des Moines; Morris F. Slupsky, University City, Mo.; Norman L. Newhall, Minneapolis; H. C. Bailey, Jackson, Miss.; William A. Burnett, Arthur Z. Boid, Seattle; Mr. and Mrs. Wilfred G. Gehr, New Orleans; E. E. Cole, Pittsburgh; K. P. Wood, Jr., Cincinnati; R. L. Sample, Charlotte, N. C.; E. J. Moschell, New York City; Mr. and Mrs. Thomas E. Gibbon, Los Angeles; Mr. and Mrs. Frank J. Owen, Jr., Pittsfield, Mass.; Mr. and Mrs. J. R. Astley, Des Moines.

Mr. and Mrs. R. I. Hall, Tulsa; Mr. and Mrs. Ernest H. Hackman, Ft. Wayne; Hugh H. Gaffney, Dallas; M. C. Patton, Chicago; C. H. Hutton, Nashville; W. J. Boothy, Birmingham; J. M. Hendricks, Louisville; Mr. and Mrs. Wm. A. Charters, Norfolk, Va.; Mr. and Mrs. Martin J. Daley, Milwaukee; F. L. Flynn, J. L. Penry, Harlingen, Tex.; Donald T. Pomeroy, Samuel N. McCain, Syracuse, N. Y.; Mr. and Mrs. Walter Gehrke, Detroit; Mr. and Mrs. Victor S. Hallauer, St. Louis; Mr. and Mrs. T. H. Schonlau, New Ulm, Minn.; Charles P. Besancon, Detroit; Mr. and Mrs. Fallon A. O'Leary, Clayton, Mo.; Herman W. Goldnitz, John Cassidy, Emmet J. Cabanaw, River Rouge, Mich.; Thos. W. Lancaster, Grosse Ile, Mich.; Mr. and Mrs. Laurice C. Mackey, Indianapolis; Geo. W. Gilligan, Washington, D. C.; Edgar J. Hanle, Raymond U. Jordan, New York City; Robert W. H. Campbell, Buffalo; Mr. and Mrs. V. C. Feemster, Wichita.

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C. C. Van Patten, F. D. Russell, Binghamton, N. Y.; James W. Rouse, Albert Keidel, Baltimore; Ralph C. Limber, Stanley Jayne, Montpelier, Vt.; Mr. and Mrs. L. R. Reifsnider, Mr. and Mrs. Jay F. Zook, Stafford O'Horo, Cleveland; Mr. and Mrs. H. T. Ahrens, Paterson, N. J.; Mr. and Mrs. Paul S. Anderson, Mr. and Mrs. Oliver Walker, Mr. and Mrs. W. L. Dunlop, Frank Bell, R. M. Hooker, Washington, D. C.; F. F. Potter, L. B. Potter, Mason City, Ia.; Mr. and Mrs. C. R. Welch, Mr. and Mrs. K. W. Countryman, Mr. and Mrs. Mark V. Overmyer, Richard H. Waterfield, Ft. Wayne; J. Bayard Boyle, James McGehee, Memphis; Mr. and Mrs. L. M. Hilliard, Lexington, Ky.; Charles F. Brewer, Indianapolis; Ren Galbraith, R. T. Tucker, Orlando, Fla.; J. R. Mitchell, M. O. McKevitt, M. T. O'Brien, Chicago; Russell F. Greeter, Cleveland.

Mr. and Mrs. H. V. Silberstein, Pittsburgh; Earl G. Smith, A. R. Ritzman, Akron; Mr. and Mrs. A. W. Hoover, Miami; Mr. and Mrs. H. E. Randel, Ft. Lauderdale, Fla.; Mr. and Mrs. M. L.



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Mr. and Mrs. John H. Armbruster, Overland, Mo.; Minard T. MacCarthy, Walter Burtelow, St. Louis; Mr. and Mrs. J. Bewley, Mr. and Mrs. Sam P. Daniel, Mr. and Mrs. Albert Mager, Mr. and Mrs. W. J. Bashaw, Tulsa; Robert B. Montgomery, Frank C. Devlin, Washington, D. C.; Henry C. Smith, North Hills, Pa.; Mr. and Mrs. H. A. Dahlgren, Mr. and Mrs. M. H. Thompson, Rutland, Vt.; Mr. and Mrs. Wm. J. Van Aken, Mrs. Henry A. Barren, Cleveland.

C. H. Hutton, Nashville; W. J. Boothy, Birmingham; Mr. and Mrs. H. J. Ludington, Lt. and Mrs. W. F. Butler, Jr., Rochester, N. Y.; Mr. and Mrs. John F. Gertis, Buffalo; Ralph Grove, G. M. Robbins, St. Paul; Miss Louise Sowell, Nashville; U. A. Denker, R. S. Brewer, Wichita; John W. Coughlin, Sioux Falls, S. D.; Mr. and Mrs. E. R. Stevenson, H. L. Hodell, Cincinnati; Henry E. Ryder, Schenectady, N. Y.; Mr. and Mrs. W. G. Wallace, Minneapolis; Frank Strubbe, Arthur Holloper, Miami, Fla.; H. M. Moore, J. A. Gray, Montreal; M. D. Arnold, Jr., J. W. Conner, Knoxville; Mr. and Mrs. W. Hiles Pardoe, John W. Grow, Washington, D. C.; B. G. Harrison, H. M. Lutz, A. B. Kurrus, Springfield, Ill.; Ralph H. Hawkins, Muskegon, Mich.; Mr. and Mrs. F. L. Gates, Chattanooga.

Mr. and Mrs. Henry Beach, W. A. Turnipseed, W. B. Phillips, O. G. Gresham, John C. Hall, A. R. Flowers, R. D. Sooch, W. K. Allen, Birmingham; Mr. and Mrs. T. J. Griffin, Evanston, Ill.; Mr. and Mrs. Arthur M. Hopkins, Des Moines; S. R. Kinsella, C. Earl Giralдин, St. Louis; Mr. and Mrs. Harry J. Landbeck, Lee Lowman, Wm. W. Blandford, Baltimore; George D. Goodnight, Frankfort, Ind.; Ellis Stephenson, Oklahoma City; Mr. and Mrs. Joel K. Riley, Mr. and Mrs. H. T. Denyes, R. C. Leach, Mr. and Mrs. S. M. Earp, Mr. and Mrs. James T. Barnes, Mr. and Mrs. Stuart B. Micklethwaite, Detroit; Chas. S. McCombs, D. L. Treadway, Dallas; Mr. and Mrs. Silas F. Albert, Grand Rapids, Mich.; Mr. and Mrs. Chester R. Martin, Providence, R. I.

Max A. Noble, Wichita; Richard C. Walden, Coleman A. Hunter, Richmond, Va.; Mr. and Mrs. Geo. W. Mers, Akron; Arthur Batty, Robert C. Schmertz, Pittsburgh; Mr. and Mrs. Fred W. Crozier, Miami; Ensign Kennett Love, Mr. and Mrs. John A. Love, George F. Altman, Clayton, Mo.; Ralph S. Wiegand, Syracuse, N. Y.; Mr. and Mrs. Frank S. Phillips, Washington, D. C.; Elmer W. Halwes, Oscar Eberhardt, Evansville, Ind.; Herschel Greer, Nashville; J. D. Ansley, San Antonio.

E. N. Crowder, E. N. Crowder, Jr., Tampa, Fla.; Mr. and Mrs. Fred C. Wells, Charleston, West Va.; Veggo F. Larsen, Hamden, Conn.; Mr. and Mrs. Ivan M. Lundquist, St. Paul; Henry E. Ryder, Schenectady, N. Y.; S. Tavalin, J. F. Burns, Jr., Chicago; A. S. West, Louisville; R. M. Perrin, Knoxville; Roland H. Kratzer, Mr. and Mrs. Amos G. Hewitt, E. L. Stoddard, K. C. Stevens, New Haven, Conn.

Edgar Bibas, Ferd Kramer, H. L. Schmitz, H. F. Phillipsborn, Chicago.

## MBA to Participate in U. S. Chamber's Big Drive to Get Building Off to Good Start

One of the most significant activities in which MBA is now engaged and one which promises much real benefit to our members, is the Construction Industry Advisory Council being organized by the U. S. Chamber under Eric Johnston's leadership. The specific group behind it is the Construction and Civic Development Department Committee of the Chamber on which MBA is represented by four of the 27 members—L. E. Mahan, St. Louis; Frederick P. Champ, Logan, Utah; Newton C. Farr, Chicago; and L. Douglas Meredith, Montpelier, Vt. At the recent meeting, Messrs. Mahan and Meredith and Harry Fischer of Chicago represented MBA. The Council holds the possibility of becoming one of the strongest forces in getting new construction started and maintained on an orderly basis—and, what is just as important, being a real constructive force in thwarting further inflation.

Almost a hundred trade and professional organizations will be represented. Every group with an interest in construction is being brought together to work out the problems of today and those likely to develop tomorrow—the same idea, incidentally, which Past President Mahan strongly advocated at the Taft Committee hearings. He was the only one, as far as we know, to make a major issue of the vital need for joint cooperation in solving the construction problem.

Council's objectives in brief are to help develop the construction industry from within and make recommendations for the Chamber's Construction and Civic Development Department Committee. First meeting will be November 1st and the preliminary agenda includes talks by representatives of manufacturers, distributors, contractors, labor, financing institutions and home builders, each telling his views of the outlook and the responsibilities of his own group. Mr. Mahan and Secretary George H. Patterson have been named MBA representatives.

The Chamber's Construction and Civic Development committee is an in-

fluent force. Early this Fall it called for lifting L-41 (it followed immediately), condemned the OPA plan to set ceiling prices on newly-constructed homes, asked for an investigation by the Senate's Small Business Committee of OPA's present and proposed controls in construction field, condemned the Wagner-Ellender Housing bill, and asked that the loan provisions of the G. I. bill be subjected to a searching review.

What is important to MBA members is that never before have mortgage lenders, through their national association, worked so closely with the U. S. Chamber, and never before has the Chamber taken such an active part in affairs concerning our business. The results ought to be to everyone's benefit.

### ESTIMATES U. S. BUILDING

We don't know how accurate his estimates are but if they're anywhere near right, the outlook for private capital in the postwar construction picture leaves something to be desired.

Of a total of \$7,000,000,000 to \$9,000,000,000 financing of postwar construction, less than \$1,000,000,000 will be supplied by private financing, H. A. Dick, president, Associated General Contractors of America, believes.

Approximately \$1,500,000,000 is to be financed by the federal government and the rest by state and local governments, he estimates.

He's talking about all kinds of construction, of course, and what we're principally interested in is residential financing where undoubtedly a far better picture could be painted.

Normally, privately financed construction accounts for from two-thirds to three-quarters of the total construction volume.

It is believed that only a very small portion of the proposed industrial, commercial, and other privately financed construction which will be undertaken has been announced.

# What FHA Is Going to Do

At New York you'll hear Commissioner Foley tell what FHA is planning for postwar and our own members tell what changes they would advocate

**T**HE public, with the great need pressing upon it, now wants to know—does private enterprise propose to attack the whole housing field, or only some of the easier and more quickly profitable parts of it.

That was the question which Raymond M. Foley, the new FHA commissioner, put to a group of New York mortgage men, bankers and mutual savings bank executives in his first public address since assuming office. MBA members will have the opportunity to hear Mr. Foley in his next address when he speaks at the MBA 32nd annual meeting and Postwar Conference in New York.

Mr. Foley is well-known in Michigan where he established an excellent record as state administrator but elsewhere relatively few approved mortgagees know him intimately, what sort of administrator he is, or much about his philosophy regarding an agency such as FHA is at the moment. This will be members' opportunity to hear him speak and tell his ideas and conception of FHA and its plans for the future.

Going back to Mr. Foley's question, he answered by saying that he was convinced that when the building industry says it is ready and willing to attack the total field of housing need, it is sincere, but added that he is equally convinced that the industry and those financing it have not achieved success to the degree and with the speed that the general public wants and reasonably should expect.

The government, Foley said, believes management is entitled to its fair share of profit, and labor to a fair wage, "but that neither should seek or expect advantages to the detriment of the consuming public of which they themselves are a part." He then identified what he termed "problem areas" for the industry.

"These, as I envision them," he said, "are in the low-rent market, in proper shelter for our minority groups, in low-

cost mass market for home owners, in rehabilitation of existing houses, in rural home betterment and country homes, in urban redevelopment and in the sphere of veteran aids.

Speaking with Mr. Foley at the FHA session will be **Clyde L. Powell**, assistant commissioner, who will discuss changes in Section 207 regulations; **Curt C. Mack**, assistant commissioner, underwriting, who will talk on costs and FHA policies for the determination of stabilized values; and **Kent Mulliken**, southern zone commissioner, who will tell members of the changes made or contemplated for speeding up processing time and will also discuss firm commitments to builders and the procedure required for this type of application.

"That is an imposing list. It challenges the best minds in the industry. This means not only that part of the industry of which we think when the word 'builder' is mentioned. It means

also the keepers of investment capital. It means the suppliers of materials, the fabricators, the designers, the inventors and the developers of land. It applies to labor, to municipal building departments, to tax authorities and governing bodies in charge of zoning and health safeguards."

The FHA as a public service agency services not one but all groups, Mr. Foley said, adding:

"In my opinion, the big job can be done by all of us together better than it has ever been done before. It is a vast and challenging task. It is the kind of undertaking in which American initiative and enterprise have always proved their strength and grown stronger.

"If American families are to live happily and securely, they must have real homes, and we cannot be complacent about their demands. If millions of veterans who fought for what the word 'home' implies, are not to be disillusioned, we cannot idle about. The day has dawned on us. If American workmen are to be fully employed, we must accent our job in housing and do it."

Mr. Foley said that since the public has been told that private enterprise claims the whole postwar housing job as its own, "the public expects it to do the great bulk of this work." He added that private enterprise already has done a great deal more in housing families of low income than is generally acknowledged.

"Under the FHA program alone," he said, "more than half of the million and a half home owners purchasing single family houses are now paying for them in monthly installments of less than \$40. In 1941, the last reasonably normal building year, 40 out of every 100 owners were paying for their homes and meeting all fixed charges with monthly payments of \$30 to \$40, while 28 out of every 100 were paying less than \$30."



RAYMOND M. FOLEY

## WITH MBA'S LOCAL CHAPTERS

### Public Has False Idea of What Depreciation Means; Lenders Must Watch It Closely Today

*Here is another in the series of Appraisal Briefs published by the Chicago MBA under the general theme of "better loans through better appraisals". This observation concludes with the assertion that appraisers of the future will no doubt be required to provide for possible depreciation of land as well as buildings.*

"Depreciation" is, perhaps, the most discussed and least understood term of the many that the appraiser or mortgage lender must consider in real estate valuation.

Mrs. Smith, housewife, may know little, if anything, of the technical definitions of depreciation, its effect on property value, or the "scientific" methods of measuring it, but she does know what the value of her new hat, the latest Paris creation, would be, on a re-sale basis, to any of her circle of women friends who have seen her wear it just once.

Mr. Smith, layman, also has had frequent brushes with the "forces of depreciation" during the course of his every day life. He has learned by experience to expect a sharp write-off in the value of his new automobile from the very minute that it leaves the automobile salesroom floor. He has learned that the beautiful set of "Period" furniture, so enthusiastically sold to him by the furniture store, with the assurance of a life time of wear, suddenly becomes devoid of its beautiful characteristics if any attempt is made to have the furniture concern repurchase it six months to a year later.

Mr. and Mrs. Smith purchased a moderately priced brick residence in a medium grade residential neighborhood about twenty years ago which they occupied since as a home. During this time, Mr. Smith has maintained his residence in good condition as to paint and repair, but otherwise has made no additions or betterments (new capital). Both he and his wife strongly feel that although the residence has provided shelter for twenty years, the building is as good as new, and that he should be able to sell it for a very substantial profit. As proof of his contention, Mr.

Smith cites the case of his father who purchased a moderately priced residential property in 1910, occupied it for thirty years, and sold it for more than its original cost.

Thus we find that Mr. and Mrs. Smith are "depreciation minded", or alert to the effect of depreciation on the value of most forms of property that concern their daily lives, but mentally resist the thought that depreciation is also a factor in the present day worth of their home. We know, too, that because the mental attitude of Mr. and Mrs. Smith regarding depreciation of real property is so strongly and commonly held by thousands of other Smiths and Joneses, that it has tended, in times past, to make the appraiser unconsciously less searching in his analysis and determination of the real and actual effects of depreciation on residential properties.

How can this apparently illogical public opinion of the effects of depreciation on residential properties be rationally explained? To properly understand some of the factors involved, it is necessary to review briefly the commercial and industrial history of our nation for at least fifty years back, with particular reference to the rapid growth of urban population and the increase of wealth of our cities; increasing land values (social increment); and the general upward trend of labor and building cost (except in relatively short periods of depression).

Disregarding price level changes, the principal factors that brought about the condition whereby a person could frequently sell a residential property for as much or more than he paid for it thirty or thirty-five years ago were the following: increasing land values (social increment), rising labor and building

### LACK OF DEFINITE MONEY POLICY AIDS STRIKES IS TOLD ST. LOUIS MEMBERS

Settlement of the current wave of strikes is hindered in part by the lack of a definite national money policy, the Rev. Bernard W. Dempsey, S. J., regent of St. Louis University School of Commerce and Finance, told members of the St. Louis MBA at their recent meeting.

"Without a stabilized monetary picture," Father Dempsey said, "the manufacturer does not know what prices his products will bring, and the worker is unsure of the value of his wages. In the automobile industry, where the union is asking a 30 per cent increase, neither the union nor management knows whether that would be a big gain or whether it will amount to nothing. If we had a consistent money policy, they would know where they stood, and could come to an agreement."

Since the United States went off the gold standard, he said, monetary policy has been determined by political decree, and has fluctuated. He proposed a long-term government policy, fixing the total volume of money for the nation over an extended period of time.

costs. This was due largely to the fact that a depreciated present day building cost is frequently as high or higher than the original cost of construction new.

The present sharp upward trend in labor and building costs, due to wartime conditions, apparently strengthens the old fallacious theory that the increased land and building costs would cancel the effects of depreciation and tends to deaden our senses to the fact that depreciation, like "Old Man River," just keeps rolling along.

Depreciation is a vital factor which the appraiser on any property must consider since the estimate of value by replacement cost less depreciation is generally thought of as setting the upper limit of value. Appraisers of the future will no doubt be required to provide for possible depreciation of land as well as buildings.



# The MORTGAGE BANKER

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NOVEMBER, 1945

## Wilbur Warner New Northern California MBA President; C. J. McCullough Vice President

Wilbur Warner of Western Mortgage Company, San Francisco, was elected president of the Northern California MBA to succeed Raymond B. Haizlip and C. J. McCullough of Coldwell, Banker & Co., was named vice president. Eugene Cox of Pacific Mutual was elected secretary and Henry Stonelake of Prudential and Fred Duh-ring of Mason-McDuffie Co. were

named directors of the Chapter.

Lloyd Graybiel of the American Trust Company made the principal address of the evening and spoke on the Community Development Act of California and the Wagner-Ellender bill. About forty attended. Mr. Haizlip said that he expects increased activity in this chapter.

## Roy Taylor Tells Home Planners to Stick to Old 25% Top for Monthly Payments on Loans

Home planners were cautioned not to pay more than 20 to 25 per cent of their monthly incomes in monthly payments on mortgage loans, at the Tacoma Home Planning institute by Roy F. Taylor, regional vice president of MBA. Mr. Taylor spoke on "Financing the Home."

He told the class that sound financial

institutions had found that the head of a family could not afford to pay more than two to two and a half times his annual income for his residence. Some families are more frugal than others and other factors also may determine whether they can afford to pay more or less for their homes, he said.

## James W. Rouse Is Elected Head of Baltimore MBA; Joseph M. Hisley Named Vice President

James W. Rouse of The Moss-Rouse Company has been elected president of the Baltimore MBA to succeed George H. Schmidt. Joseph M. Hisley of the Baltimore Federal Savings and Loan Association was elected vice president and Sidney H. Tinley, Jr. was re-elected secretary-treasurer.

Preceding the election, members discussed problems of financing of construction loans. The number of builders actually starting construction at this

time is quite limited, due largely to the scarcity of materials, it was pointed out.

### STILL LOOKING FOR A MAN

Do you know any MBA member who has an interesting hobby he would be willing to describe on the nationwide "Hobby Lobby" radio show Thursday, November 15, at 9:30 P. M? If so, let us know.

## So They Say

### END RENT CONTROL

Rent control should be abandoned at once. We know that this will be unpopular. There are a lot more tenants than there are landlords. A lot of the tenants will be gouged. But the higher the rents go, the more people will be encouraged to build new housing. The more new housing is built, the quicker rents will drop to normal. The greedy boys always outsmart themselves in the end—*Chicago Tribune*.

### SOME PRIVATE BUILDING

The average British home is better constructed than the American, but when it comes to plumbing, wiring, closets and other fittings, we are far ahead of them.

The people in England are much more interested in housing than we are, and every city and town has its own housing plan. Most of the housing projects are government-directed, though there is some private building. — *Mrs. Dorothy Rosenman, chairman, National Committee on Housing, Inc.*

The use of purchasing power as a yardstick in planning neighborhood shopping sections is urged in the latest study of the National Committee on Housing.

It calls attention to the fact that most communities are overzoned and overbuilt as far as neighborhood stores are concerned and points out that only by advance study and planning may improvements be made in shopping conveniences and physical appearance of communities.

The number of empty and marginal stores which characterize almost every community in the country and the recurrent failures of thousands of small merchants annually, attest to the need for well-planned commercial centers, it is said.

"It is time for all groups in the community", the author states in his introduction, "to know the number of unprofitable businesses, the pitiful earnings of the majority of merchants and the percentage of failures that occur.

## PEOPLE • VIEWS • EVENTS

**H. A. Crabb** has been elected president of **Houston MBA** and **T. A. Robinson** vice president. **H. L. Hodell, Jr.** was named second vice president and **Gordon Lowe** secretary and treasurer. **W. B. Phillips, W. B. Phillips & Co.,** has been elected president of **Birmingham MBA** to succeed **Thurlow C. Guinn.** **E. F. Blankenship, Realty Mortgage Company,** was named vice president and **Clifford M. Spencer** secretary and treasurer.

**Robert H. Strawbridge** has been elected assistant vice president of **Great Lakes Mortgage Corp.,** Chicago, and appointed manager of its Hammond, Ind., branch. . . . **Pacific Mutual** is opening a mortgage loan office in Chicago with **Thomas L. Lowe,** formerly of Kansas City, as manager. . . . **Claude A. Campbell,** former MBA board member from Toledo, has been elected president of the newly-formed chapter of the Society of Residential Appraisers in that city.

The wave of strikes hit Cleveland mortgage men when employees of the two largest land title companies walked out, holding up competition of real estate transactions. . . . **L. R. Reifsnider,** president of the **Cleveland MBA,** along with the heads of the realtors and home builders, offered their services as conciliators. . . . The **Iowa MBA** and **Des Moines MBA** were active in urging lifting of L-41 and **E. R. Haley,** president of the former, **L. M. Fryer,** president of the latter, along with **W. W. Beal,** legislative chairman of Iowa MBA, wired Synder and various members of congress. . . . **Orville Gore,** a former secretary of Iowa MBA has been discharged from the army and is resuming his position in the mortgage loan department of the **Iowa-Des Moines National Bank**

. . . . **Iowa MBA's Mortgage News** reports that "a local building contractor approached several lending institutions in Des Moines requesting, or almost demanding, a two per cent premium for loans he would place with them. In

each case, however, he was emphatically turned down and at the last meeting of the **Des Moines MBA** a vehement expression was made by every member present that a practice of this kind was very vicious and one in which they would have no part."

The current national advertisement of MBA member **Northwestern National Life Insurance Company** has a unique appeal. . . . it pays tribute to Minneapolis firms which have been "good citizens of Minneapolis for 60 years or more." This is the Northwestern National's 60th anniversary. . . . firms mentioned include MBA members **David C. Bell Investment Co., First National Bank of Minneapolis** and **Thorpe Bros., Inc.** The advertisement reproduces their letterhead designs.

**Lieutenant Commander Melvin F. Lanphar** is being returned to inactive duty after more than three years of service in the Navy, and will resume his



position as president-treasurer of **Melvin F. Lanphar and Company, Detroit.** He was commissioned a lieutenant, United States Naval Reserve, in 1942, and received his indoctrination at Fort Schuyler, N. Y. He is also president of **Lanphar Agency, Inc.,** and a director of **The United Savings Bank of Detroit** and **The Romeo Savings Bank, Romeo, Michigan,** chairman of the **Fire Prevention Committee** of the

### Personnel

#### MORTGAGE MAN WANTED

Large life insurance company wants man with broad experience in mortgage field and good knowledge of appraisals and inspections. His background should be such as to qualify him as contact man with loan correspondents. The man sought is no doubt satisfactorily employed now and may wish to better himself. Only a man with the best record and most comprehensive experience will be considered. Write Box 110, Mortgage Bankers Association of America, 111 West Washington Street, Chicago 2.

**Detroit Board of Commerce,** and director of the **Howard Street Rescue Mission.**

**Frank J. Mills, Cashier, Ft. Wayne National Bank** and MBA Board member, has been elected president of **Region One** of the **Indiana Bankers Association.** Only 25 veterans have defaulted on their G. I. loans, and the government has lost less than \$8,000. G. I. applications are being received at the rate of 272 a day. Through Sept. 29, a total of 24,059 loan guarantees had been executed totaling \$39,014,471. Most of the loans—21,981—were for homes.

**Back-from-the-Wars Department: W. E. Hey,** chief aerographer's mate is back at his job in the **Des Moines office of Iowa Securities Company** after nearly four years Navy service, mostly in the South Pacific. . . . and **H. B. Haffa** is back with the same firm in the **Waterloo office** after serving in the air corps.

**Baltimore MBA** members, at their recent meeting, welcomed servicemen who have returned to civilian life, including Lt. Com. **James W. Rouse** and **Capt. Churchill G. Carey** of **The Moss-Rouse Company;** Lt. Com. **Albert Keidel, Jr.** of **Piper and Hill;** and **Major Bernard P. Hoge,** recently appointed **Baltimore representative** of **Randall H. Hagner & Company, Inc.** **Major Samuel S. Murray** was not present, but recently returned to the **Maryland Title Guarantee Company.**

The discussion concerning construction mortgages created so much interest that another meeting has been called to give consideration to this subject. **Guy T. O. Hollyday** reported on the two-day meeting in Washington October 2nd and 3rd called by **FHA Commissioner Foley** to consider suggestions for improving **FHA procedure** and legislation.

**Clifford C. Boyd** has been elected assistant vice president of **Institutional Securities Corp., New York. . . . James A. McLain,** president of **Guardian Life,** has been elected president of the **Insurance Institute of America, Inc.**



